

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Sri Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.54 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against **Sri Syed Khaja Husaini, Accounts Officer (Retd.)** – Imposition of punishment of withholding of Rs.3,000/- per month from his pension for a period of fifteen months (15) under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

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### FINANCE (ADMN.I.VIG.) DEPARTMENT

**G.O.Rt.No. 4432**

**Dated:22.12-2011**

**Read the following:-**

- 1 DTA Charge Memo.No. K5/22856/2001-1, dt: 14-02-2004.
- 2 Defence Statement of Sri Syed Khaja Husaini, Accounts Officer (Retd.) dated dt: 03-03-2004.
- 3) G.O.Rt.No.4512, Finance (Admn.I.Vig) Dept, dt:19.11.2008
- 4) Enquiry Report of Sri Janak Raj, Commissioner of Inquiries D.O.Lr.No.2128/COI.JR/2008,dt:05-11-2009.
- 5) Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003-12 dt 17.11.2009
- 6) DTA. Lr.No. K(II)8/22856/2001, dated 27-03-2010 along with Representation of Sri Syed Khaja Hussaini, Accounts Officer (Retd.) dated 21.12.2009.
- 7) Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003-11,dated:22.6.2010
- 8) Explanation of Sri Syed Khaja Husaini, Accounts Officer (Retd.) dated 16.7.2010
- 9) Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 31.3.2011 addressed to Secretary, APPSC.
- 10) From the Secretary, APPSC Lr.No.186/RT-I/3/2011, dated 26.5.2011.

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### ORDER:

The Director of Treasuries and Accounts, in the reference 1<sup>st</sup> read above, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayanagutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed, change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this kind of fraud in about 30 cases. On the request of the police the probable amounts of those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank

merely based on the option form or a representation received in the name of the pensioner and credited pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep records in the safe-custody and thereby given scope for the culprits and those who connived with them to have easy access and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P. Treasury Code. Vol-I and the procedure prescribed in G.O.Ms.No.213, Finance & Planning (FW PSC) Department, dated.19.12.1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved way for the culprits to tamper with the records of the office and resort to fraudulent drawals.

2. Departmental Proceedings were initiated against **Sri Syed Khaja Husaini, Accounts Officer (Retd.)** along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12- 1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against **Sri Syed Khaja Hussaini**, the then incharge of APPO, O/o APPO, Chandrayanagutta now retired as Accounts Officer, vide DTA Charge Memo K5/22856/2001-1, dt.14- 02-2004.

***Sri Syed Khaja Hussaini, Accounts Officer, (Retd.), while working as APPO, Chandrayanagutta (I/c) has failed to follow the procedure prescribed in A.P. Treasury Code and instructions issued thereon from time to time in making pension disbursements in respect of certain Pension Payment Orders and thereby given scope for drawls and he was responsible for a loss of Rs.24,169/- to the exchequer.***

3. In his defence statement, while denying the article of charge framed against him, he has requested to drop the charge on the following grounds:

- i) He stated that he was placed as in charge of the post of APPO, Chnadrayanagutta during the period in question while holding the post of APPO, Motigally and that during the period he had to draw pension or the month of September 2001 in 16 cases and to remit the amount to the banks concerned for crediting the amount to the SB Accounts of those concerned. During his stay at that branch, an amount of Rs.36,312/- is stated to have been fraudulently drawn and paid to the bogus pensioners and out of which an amount of Rs.24,169/- has been apportioned as his share holding him responsible for the said irregular drawal of pension.
- ii) He further stated that he held charge of the post of APPO, Chandrayanagutta for short period in the month of September 2001. It is seen from the statement enclosed to the charge memo that he initialed in the sheets for the months of September

2001 in respect of 16 cases. Here his involvement was nowhere either in getting the PPOs transferred from other branches/banks or in the process of initiation of fresh cases. Hence, there was no question of obtaining the descriptive rolls from any pensioner except to continue the payment of pension through the banks concerned. There was no occasion to see any of the pensioners during his tenure viz., September 2001. According to G.O.Ms.No.213, Finance & Palling (FW:PSC) Department dated 19.12.1997 pension shall be paid without waiting for life certificate etc., up to the end of December and the pension for the month of Jan. shall be stopped in the event of the non receipt of life certificate etc., There was absolutely no mistake on his part in having arranged the payment of pension through the Banks in respect of 16 persons mentioned in the sheet enclosed to the charge Memo.

- iii) He also stated that there was no laxity on his part to come under the part of devotion to duty and hence the part of charge Memo was also not justified. The conduct unbecoming of a Govt. servant was not seen anywhere in his functioning and hence it cannot be said that he behaved in a way of unbecoming of a Govt. servant.
- iv) Further also stated that he did not contravene Rule 3 (1) and (2) of A.P. Civil Services (Conduct) Rules. Even highest body was there discharging his duties, the same thing should have happened in the absence of any special function or duty during the period he attended to that work and he discharged his entrusted duties honestly and he did not play any mischief in the case.
- v) He stated that there was no iota of truth to the effect that he was responsible for the payment of bogus pensions except to continue the payment based on the previous entries and the charge was not based on facts and truth. **Therefore, on the above grounds he has requested to drop article of charge as he was in no way responsible for these bogus payment of pensions.**

4. The defence of the Charged Officer that he had paid pension to bogus pensioners based on the Life Certificates is not at all tenable. It is not possible for others, without collusion of the Charged Officers working in the APPO offices, to replace the photographs of the deceased pensioners pasted on the descriptive rolls with the photographs of the bogus pensioners. The defence of the Charged Officer was not satisfactory. To arrive at the truth, only a common inquiry of all the charged officers involved in the case was required. Hence, the Government have decided to conduct a regular common enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services 3 (CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980. Since a common inquiry has to be ordered in this case to elicit the truth against all the 44 Charged Officers involved in this case, the disciplinary authority could not proceed with further action as majority of the Charged Officers did not submit their written statement of defence and insisted for certain original documents which were seized by the police and copies of certain documents.

5. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry

Authority to inquire into the charges framed against the Charged Officer **Sri Syed Khaja Husaini, Accounts Officer, (Retd.)**, Treasury and Accounts Department and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad, as Presenting Officer.

6. The Inquiry Authority, Sri Janak Raj, Commissioner of Inquires has submitted his report vide reference 4<sup>th</sup> read above. In the Enquiry the charge framed against **Sri Syed Khaja Husaini, Accounts Officer (Retd.)** has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to Sri **Syed Khaja Husaini Accounts Officer (Retd.)** as to why a suitable punishment should not be imposed against him as the charge framed against has been proved in the inquiry vide reference 5<sup>th</sup> cited.

7. Sri Syed Khaja Husaini Accounts Officer (Retd.) in his representation has stated that he did not belong to the office of the Asst. Pension Payment Officer, Chandrayanagutta at all and he was deputed to work for a very short period as a stop-gap arrangement in the interest of administration and he has no involvement in this case. If the matter is viewed from all angles it deserves exoneration of the Charge framed against him. Therefore, he has requested the Government to issue orders exonerating him from the charge framed against him so that the A.G. will release his pensionary benefits.

8. Government after careful consideration of the findings of the Inquiry Authority and representation of the Charged Officer, has **provisionally decided to impose a punishment of withholding of Rs.3,000/- from his pension for a period of 15 months** and issued a final Show Cause Notice to him vide reference 7<sup>th</sup> read above.

9. According to Rule 9 (1) A.P. Revised Pension Rules, 1980:

*“The government reserves to themselves the right of withholding a pension or gratuity, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specific period and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused, to the Government and to the local authority if, in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service, including service rendered upon re-employment after retirement: Provided that the Andhra Pradesh Public Service Commission shall be consulted before any final orders are passed. Further, the Government will serve the person concerned with a show-cause notice specifying the action proposed to be taken under this rule and the person concerned will be required to submit his reply to the show-cause notice within such time as may be specified by the Government. The Government will consider the reply and consult the Andhra Pradesh Public Service Commission. If as a result of such consideration in consultation with the Commission, it is decided to pass an order under the rule, necessary orders will be issued in the name of the Government.”*

10. **Sri Syed Khaja Husaini, Accounts Officer (Retd.)** in his explanation to the Final Show Cause Notice dated 22-06-2010 has stated that an amount of Rs.24,169/- (actual loss) has been withheld from his

Encashment of Earned Leave. Therefore, he has requested to issue orders **exonerating him from the charges framed against him.**

11. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices found that the Charged Officer did not follow the provisions contained under Sub Rules 64 to 87 for payment of pension i.e., he involved violation of the procedure prescribed in A.P. Treasury code and instructions issued thereon from time to time in making pension disbursements in respect of certain pension payment orders. The Charged Officer has stated that he had followed the orders issued in G.O.Ms.No.79 Finance (PFW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.1997 regarding procedure for payment of pension through the banks and pension shall not stop without waiting for life certificate etc., upto the end of December. In the said GOs, orders were issued simplifying procedure in respect of payment of pensions. Pensions were hitherto paid in cash at PPOs /Treasury Offices. This practice was changed and made the pensioners to opt for the Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GOs, no checks need be effected as the orders issued are pending amendment to the respective codal provision. This ground is totally untenable. He could not have presumed this till, such amendment were issued and the respective codal provisions remained in force and needed to be followed. Due to non-exercise of checks, fraudulent payment of pensions occurred due to the replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 Finance (FW:PSC) Department dated 4.3.1989 and G.O.Ms.No.213 Finance (FW:PSC) Department dated 19.12.1997 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioners existence. The Charged Officer had totally failed to follow the procedure of payment of pension stipulated under A.P. Treasury Code. Therefore, Government, **provisionally decided to impose a punishment of withholding of Rs.3,000/- from his pension for a period of 15 months on Sri Syed Khaja Husaini, Accounts Officer (Retd.)** and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against **Sri Syed Khaja Husaini, Accounts Officer (Retd.)** and intimate the same to the Government for taking further action.

12. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 10<sup>th</sup> read above, have concurred with the proposal of the Government for imposition of a punishment of **withholding Rs.3,000/- per month from pension for a period of (15) months on the Charged Officer Sri Syed Khaja Husaini Accounts Officer (Retd.)**.

13. Government accordingly, hereby order imposition of a punishment of **withholding Rs.3,000/- per month from his pension for a period of (15) months on the Charged Officer Sri Syed Khaja Husaini , Accounts Officer (Retd.)** under Rule 9 (1) of A.P. Revised Pension Rules, 1980.

14. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

15. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**RANJEEV R. ACHARYA**  
**PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

The Prl. Accountant General (A&E) , A.P., Hyderabad.

SF/SC

//FORWARDED::BY ORDER//

**SECTION OFFICER**